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FISCAL IMPACT STATEMENT

LS 6523

BILL NUMBER: SB 252

NOTE PREPARED: Dec 31, 2009

BILL AMENDED:

SUBJECT: Waiver of Transfer Tuition.

FIRST AUTHOR: Sen. Kenley

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: The bill provides that a transferee school may elect to not charge transfer tuition to the parents of a student or a student who transfers into the transferee school.

Effective Date: July 1, 2010.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: The bill could reduce local school revenue if they choose not to charge transfer tuition to the parents of a student or a student who transfers into the school. The impact would depend on local school action.

Background: Transfer tuition is the average cost of educating the student in the receiving school corporation minus the revenue the receiving school gets from the state for educating the student. The tuition support formula uses a student count taken in September of each year, so the school that the student attends on the count day in September receives funding for the student the following calendar year. In CY 2009, when the state eliminated the General Fund property tax levies, the state tuition support substantially increased and the billable transfer tuition decreased if the student was attending school on the September count date. Schools in the past had received about \$10 M annually in cash transfer tuition paid by parents. The transfer

tuition substantially decreased beginning January 2009.

For the 2009-2010 September ADM count, there were 6,449 cash transfers and 2,329 transfers from one school corporation to another corporation.

State Agencies Affected:

Local Agencies Affected: Local schools.

Information Sources: Transfer Tuition Webinar, <http://www.doe.in.gov/finance/welcome.html> .

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